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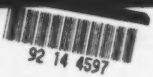
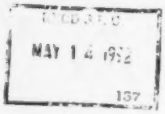


SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549



FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d)
OF
THE SECURITIES EXCHANGE ACT OF 1934

1/0
Ub2-2233

For the Quarter Ended March 31, 1992
Commission File Number 0-19395

SYBASE, INC.
(Registrant)

Incorporated in the State of Delaware

I.R.S. Employer Identification Number 94-2951005

6475 Christie Avenue, Emeryville, CA 94608

Telephone Number: 510-596-3500

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

On March 31, 1992, 19,280,253 shares of the Registrant's Common Stock, $.001 par value, were outstanding.

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SYBASE, INC.
FORM 10-Q
QUARTER ENDED MARCH 31, 1992

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SYBASE, INC.
CONSOLIDATED BALANCE SHEET

	December 31, 1991	March 31, 1992
ASSETS		
Current assets:		
Cash and cash equivalents	$52,685,000	$59,507,000
Short-term cash investments	6,565,000	1,378,000
Accounts receivable, net	53,249,000	50,988,000
Other current assets	3,516,000	4,436,000
Total current assets	116,015,000	116,309,000
Equipment and improvements, net	17,135,000	17,055,000
Capitalized software, at amortized cost	6,083,000	6,225,000
Excess of purchase price over fair value of acquired assets, at amortized cost	4,505,000	4,105,000
Other assets	1,403,000	2,044,000
	$145,141,000	$145,738,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$2,995,000	$2,938,000
Accrued liabilities	15,764,000	15,729,000
Accrued compensation and related expenses	7,260,000	5,744,000
Deferred revenue	20,521,000	21,519,000
Income taxes payable	2,471,000	0
Capital lease obligations, current portion	6,080,000	5,913,000
Total current liabilities	55,091,000	51,843,000
Other non-current liabilities	10,054,000	9,438,000
Stockholders' equity:		
Preferred stock, $.001 par value, 8,000,000 shares authorized; no shares issued and outstanding		
Common stock, $.001 par value, 50,000,000 shares authorized; 19,280,253 shares issued and outstanding (1991-18,734,013)	19,000	19,000
Additional paid-in capital	83,062,000	86,407,000
Accumulated deficit	(3,779,000)	(1,854,000)
Accumulated foreign currency translation adjustments	742,000	(89,000)
Notes receivable from stockholders	(48,000)	(26,000)
Total stockholders' equity	79,996,000	84,457,000
	$145,141,000	$145,738,000

SYBASE, INC.

CONSOLIDATED STATEMENT OF INCOME

	Quarter Ended March 31,	
	1991	1992
Revenues:		
License fees	$21,765,000	$33,477,000
Services	10,421,000	14,427,000
Total revenues	32,186,000	47,904,000
Costs and expenses:		
Cost of license fees	1,079,000	2,253,000
Cost of services	3,955,000	7,074,000
Sales and marketing	17,971,000	22,602,000
Product development and engineering	5,871,000	8,797,000
General and administrative	2,675,000	4,380,000
Total costs and expenses	31,551,000	45,106,000
Operating income (loss)	635,000	2,798,000
Other income (expense)	(242,000)	411,000
Income (loss) before income taxes and extraordinary item	393,000	3,209,000
Provision for income taxes	158,000	1,284,000
Income (loss) before extraordinary item	235,000	1,925,000
Extraordinary item-income tax benefit of net operating loss carryforward	83,000	0
Net income (loss)	$318,000	$1,925,000
Income (loss) per share before extraordinary item	$0.01	$0.09
Extraordinary item per share	$0.01	$0.00
Net income (loss) per share	$0.02	$0.09
Shares used in per share computation	16,508,000	21,362,000

SYBASE, INC.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three months ended March 31,	
	1991	1992
Operating Activities		
Net income	$318,000	$1,925,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,490,000	3,598,000
Accrued relocation costs	(103,000)	(145,000)
Deferred rent	187,000	98,000
Changes in assets and liabilities (1991- net of effects of purchase of a company):		
Accounts receivable	2,156,000	1,795,000
Other current assets	(503,000)	(920,000)
Accounts payable	(826,000)	(57,000)
Accrued liabilities	702,000	(35,000)
Accrued compensation and related expenses	167,000	(1,516,000)
Deferred revenues	(1,772,000)	998,000
Income taxes payable	-	(2,471,000)
Other	-	(246,000)
Cash provided by operating activities	2,816,000	3,024,000
Investing Activities		
Net sales of short-term cash investments	-	5,187,000
Purchase of equipment and improvements	(877,000)	(1,328,000)
Additions to capitalized software development costs	(840,000)	(867,000)
Increase in other assets	(700,000)	(641,000)
Cash provided (used) by investing activities	(2,417,000)	2,351,000
Financing Activities		
Proceeds from issuance of common shares, net of issuance costs and repayments of notes receivable	15,000	3,367,000
Reduction of capital lease obligations	(1,090,000)	(1,408,000)
Cash provided (used) by financing activities	(1,075,000)	1,959,000
Effect of exchange rate changes on cash	(258,000)	(512,000)
Net increase (decrease) in Cash and cash equivalents	(934,000)	6,822,000
Cash and cash equivalents, beginning of period	12,897,000	52,685,000
Cash and cash equivalents, end of period	$11,963,000	$59,507,000
Supplemental disclosures:		
Capital lease obligations incurred	$338,000	$918,000

SYBASE, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. The accompanying unaudited consolidated financial statements include the accounts of Sybase and its subsidiaries, and, in the opinion of management, reflect all adjustments (consisting only of normal recurring adjustments) necessary to fairly state the Company's consolidated financial position, results of operations and cash flows for the periods stated. The balance sheet as of December 31, 1991 has been prepared from the audited records of the Company.

   This report on Form 10-Q should be read in conjunction with the Company's audited financial statements for the fiscal year ended December 31, 1991 and notes included therein. The results of operations for the three months ended March 31, 1992 are not necessarily indicative of results for the entire fiscal year ended December 31, 1992.

2. Net income per share is computed using the weighted average number of common shares outstanding and dilutive common stock equivalents from the exercise of stock options and, applicable to 1991 only, warrants (using the treasury stock method) and the conversion of preferred shares (using the if-converted method).

ITEM2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Total Revenues. Total revenues for the first quarter of 1992 increased 48.8% to $47.9 million compared to $32.2 million for the first quarter of 1991. Total revenues for the first quarter of 1992 declined 4.5% from the fourth quarter of 1991, continuing a seasonal pattern of license revenue decline between the fourth quarter and the succeeding first quarter. The Company's revenues are derived from two sources: software licenses and fees for services, including maintenance, consulting, education and other contract services. The Company's revenue recognition policy is in compliance with the Statement of Position 91-1, "Software Revenue Recognition," issued by a committee of the American Institute of Certified Public Accountants. Accordingly, the Company recognizes license revenue when a non-cancellable license agreement is in force and the product has been shipped.

North American revenues increased 45.2%, from $24.0 million in the first quarter of 1991 to $34.9 million in the first quarter of 1992. International revenues increased 59.5% to $13.0 million for the first quarter of 1992, up from $8.1 million for the same period of 1991. While the Company believes the relatively stronger international growth rate reflects the positive effects of the reorganization and sales training and forecasting programs implemented in July 1991, it also reflects growth from a relatively low international revenue base from the first quarter of 1991. International revenues represented 27.1% of total revenues in the first quarter of 1992, compared to 25.3% of total revenues for the first quarter of 1991.

The Company has experienced a pattern of recording 50% to 70% of the Company's quarterly revenues in the third month of the quarter, with a concentration of these revenues in the last week of that third month. The Company's operating expenses are based on anticipated revenue levels, are relatively fixed in the short term and are incurred approximately ratably throughout the quarter. As a result, if revenues are not realized in the expected quarter, the Company's quarterly operating results would be adversely affected.

Software Licenses. License revenues for the first quarter of 1992 increased 53.8% to $33.5 million from $21.8 million for the first quarter of 1991. The increase in absolute dollars is attributable to greater demand for the Company's products as a result of continuing enhancements and expanding breadth of the Company's product offerings and increased sales to the installed customer base .

Services. Revenues from services increased 38.4% to $14.4 million or 30.1% of total revenues, compared to $10.4 million or 32.4% of total revenues and $12.4 million or 24.7% of total revenues for the first and fourth quarters of 1991, respectively. The decline in services revenues as a percent of total revenues between the first quarters of 1991 and 1992 is primarily the result of the fourth quarter to first quarter seasonal

decline in license revenues between 1991 and 1992 being less pronounced than the decline between the fourth quarter of 1990 and the first quarter of 1991. Services revenues as a percent of total revenues increased between the fourth quarter of 1991 and the first quarter of 1992 primarily as a result of seasonally lower license revenues.

Cost of License Fees. For the first quarter of 1992 cost of license fees increased to $2.3 million and 6.7% of license revenues, from $1.1 million and 5.0% of license revenues for the same period of 1991. The increase in cost of license fees as a percent of total license revenues is primarily the result of higher software amortization expenses, increased sales of products carrying royalty fees and costs incurred to standardize documentation.

Cost of Services. Cost of services for the first quarter of 1992 was $7.1 million and represented 49.0% of services revenues, compared to $4.0 million and 38.0% of services revenues for the first quarter of 1991. The increase as a percent of total services revenues is the result of increased materials and shipping costs for product upgrades, increased third party training expenses to meet increased demand for education courses and costs incurred to standardize documentation.

Sales and Marketing. Sales and marketing expenses for the first quarter of 1992 were $22.6 million or 47.2% of revenues, compared to $18.0 million or 55.8% of revenues for the first quarter of 1991, and $23.9 million or 47.7% of revenues for the fourth quarter of 1991. The absolute dollar increase between the first quarters of 1991 and 1992 is the result of increased expenses associated with higher revenue levels. The decline in absolute dollar spending between the fourth quarter of 1991 and the first quarter of 1992 relates to a one-time $1.5 million charge in the fourth quarter of 1991 with respect to international reorganization decisions made in the fourth quarter of 1991. The decline in sales and marketing expenses as a percent of total revenues between the first quarter of 1992 and the first quarter of 1991 is a result of continued productivity improvements in the North American and International selling organizations.

Product Development and Engineering. Product development and engineering expenses (net of capitalized software expenditures) increased to $8.8 million or 18.4% of total revenues in the first quarter of 1992, compared to $5.9 million or 18.2% of total revenues for the first quarter of 1991, and $7.7 million or 15.3% of total revenues for the fourth quarter of 1991. The absolute dollar increase in product development and engineering expenses between the first quarters of 1991 and 1992 reflects increased staffing of software engineers and technical writers required to expand and enhance the Company's product line and to provide related technical documentation. The increase in product development and engineering expenses as a percent of total revenues between the fourth quarter of 1991 and the first quarter of 1992 is a result of three factors: the seasonal pattern of lower revenues in the first quarter than in the preceding fourth quarter, the acceleration of certain development projects in response to customer demand and lower amounts of capitalized software.

General and Administrative. General and administrative expenses for the first quarter of 1992 were $4.4 million or 9.1% of revenues, compared to $2.7 million or 8.3% of revenues in the comparable period for 1991, and $3.9 million or 7.7% of revenues for the fourth quarter of 1991. The increase in absolute dollars and the increase in the percentage of total revenues over the first quarter of 1991 reflects increased staffing and investments in management information and control systems required to support the Company's growth. The increase in general and administrative expenses as a percent of total revenues over the fourth quarter of 1991 is also a result of the seasonal pattern of lower revenues in the first quarter than in the preceding fourth quarter.

Other income (expense). Other income (expense) represents the interest earned on invested cash balances offset by interest expense resulting from capital leases of computers, furniture and fixtures and borrowings under the Company's bank line. Other income for the first quarter of 1992 was $0.4 million, compared to other expense of $0.2 million for the first quarter of 1991. This increase was primarily due to the investment of proceeds raised in the Company's initial public offering in August 1991 and cash generated from operations.

Income taxes. The provision for income taxes for the first quarter of 1992 was $1.3 million compared to $0.2 million for the same period of 1991. The Company's estimated effective tax rate for fiscal 1992 is 40%, compared to a 1991 effective tax rate of 44%. The decrease in the effective tax rate is primarily due to the utilization of foreign tax credits. In 1991 the Company fully utilized its net operating loss carryforward. In determining its effective tax rate for the quarter, the Company uses its estimated effective tax rate for the year. To the extent there are differences between planned and actual net income or the components thereof, the effective tax rate could change.

Liquidity and Capital Resources. Cash, cash equivalents and short-term cash investments totaled $60.9 million at March 31, 1992, compared to $12.0 million at March 31, 1991. The increase was primarily due to the Company's initial public offering in August 1991, which raised approximately $37.1 million, and to cash generated from operations.

The Company has a $10 million unsecured line of credit available from two banks, against which approximately $1.0 million in letters of credit were outstanding as of March 31, 1992.

Funds from operations durng the first quarter of 1992 was $3.0 million. The Company believes that cash flow from operations, existing cash balances and borrowings available under its credit facility will be sufficient to meet its cash and capital requirements for the foreseeable future.

PART II: OTHER INFORMATION

Item 2: CHANGES IN SECURITIES

In March, 1992, the Company adopted a shareholder rights plan and declared a dividend of one right to purchase one one-thousandth of a share of Series A Preferred Stock (a "Right") for each share of common stock of the Company outstanding on April 10, 1992. In connection with the shareholder rights plan, the Company filed with the Delaware Secretary of State a Certificate of Designation of Rights, Preferences and Privileges of Series A Participating Preferred Stock ("Certificate") designating 40,000 shares of the Company's 8,000,000 shares of authorized but unissued Preferred Stock as "Series A Participating Preferred Stock" and setting forth the rights, preferences and privileges thereof. The Certificate generally provides that each one one-thousandth of each share of Series A Participating Preferred Stock will be afforded economic rights similar to one share of the Company's common stock. The Rights are being registered with the Securities and Exchange Commission pursuant to Section 12(g) of the Securities Exchange Act of 1934 on a Form 8-A filed with the Commission on April 1, 1992, which will become effective 60 days thereafter, or earlier if effectiveness is accelerated.

Holders of the Rights will be entitled to certain benefits in certain limited circumstances involving acquisitions of or offers for 15% or more of the Company's stock by another person or group of persons, except for certain instances when the acquiring party is Lotus Development Corporation. For a limited period of time after the announcement of any such acquisition or offer, the holder of each Right will be entitled to purchase for $125 one one-thousandth of one share of the Company's Series A Participating Preferred Stock. After any such acquisition is completed, each Right entitles its holder to purchase for $125 an amount of common stock of the Company, or in certain circumstances securities of the acquiror, having a then current market value of two times the exercise price of the Right. The Rights are also redeemable for a specified period at a price of $.01 per Right. The Rights expire in March, 2002.

Item 6: EXHIBITS AND REPORTS ON FORM 8-K

Reports on Form 8-K:

There were no reports filed on Form 8-K during the quarter ended March 31, 1992.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SYBASE, INC.
(Registrant)

BY
Kathryn C. Kyrop, Vice President and Treasurer (Principal Financial Officer)

BY
Peter F. Pervere, Vice President and Controller (Principal Accounting Officer)